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ABSTRACT

Data from a variety of sources were used to examine the status of charter schools in California. Home to 415 charter schools enrolling 157,000 students, about 2.4% of all public school students in the state, California is at the forefront of the charter school movement, with the number of charter schools increasing rapidly. The average overall performance of charter schools remains lower than that of conventional public schools, but three recent studies demonstrated striking progress as measured by analyses of the California Academic Performance Index. Charter schools are doing a better job than other public schools at improving academic performance of at-risk students, and the academic performance gap between traditional schools and charter schools is closing. These outcomes have been attained despite serious financing inequities, suggesting that charter schools may actually be more productive than many traditional public schools. There is also evidence that charter schools are accomplishing important nonacademic goals that include high parent satisfaction and high student retention. Charter schools in California continue to face obstacles, and the state needs to take some steps to ensure that the state "catches the wave" of charter-led innovation and improvement. The state legislature should end the near monopoly of districts on charter authorizing and oversight, and the supply of charter schools should be expanded. Educational leaders should create more effective means of sharing successes and innovations, and laws and regulations should be more carefully targeted so as not to inhibit creation of new charters. Charter districts should be created with large numbers of schools operating on performance contracts served by a central office serving as portfolio manager rather than owner/operator. (Contains 95 endnotes.) (SLD)

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Catching the Wave

Lessons from California's Charter Schools

by Nelson Smith

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Preface

A little more than a decade ago, a bold educational idea got its first field test. This idea—that public schools are defined by operating norms and public accountability rather than just by their ownership—has proven to be at once fantastically successful, challenging, and controversial. Around the country, charter schools are unleashing a torrent of new ideas, new resolve, and fresh thinking.

In this upbeat paper, charter school expert Nelson Smith takes a look at charter schools in America's most populous state. Smith highlights some of the best practices of charters in California, as well as how they are doing overall and what challenges and problems they are facing. As in many areas, California is at the cutting edge of charter schooling. The state passed the nation's second charter school law and California's charter schools continue to showcase some of what is best about public education.

Smith's paper offers a concise and accessible overview for educators, policymakers, journalists, and anyone else with an interest in these dynamic new schools. It is our hope that this paper will help inform the debate about charter schools in California as well as other states. Charter schooling in California and elsewhere is not without problems, but great things are happening in the lives of children because of this bold idea.

A generous grant from the Pisces Foundation made it possible for the 21st Century School's Project to undertake this work. We are grateful to the Pisces Foundation for their support of this project and their overall commitment to educational improvement.

The 21st Century Schools Project at the Progressive Policy Institute works to develop education policy and foster innovation to ensure that America's public schools are an engine of equal opportunity in the knowledge economy. Through research, publications and articles, and work with policymakers and practitioners, the Project supports initiatives to strengthen accountability, increase equity, improve teacher quality, and expand choice and innovation within public education.

The goals of the 21st Century Schools Project are a natural extension of the mission of the Progressive Policy Institute, which is to define and promote a new progressive politics for the 21st century. The Institute's core philosophy stems from the belief that America is ill-served by an obsolete left-right debate that is out of step with the powerful forces reshaping our society and economy. The Institute believes in adapting the progressive tradition in American politics to the realities of the Information Age by moving beyond the liberal impulse to defend the bureaucratic status quo and the conservative bid to dismantle government. More information on the 21st Century Schools Project and PPI is available at www.ppionline.org.

Andrew J. Rotherham
Director, 21st Century Schools Project

Cover photo courtesy of Corbis.

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Executive Summary

Barely 10 years after California became the second state in the nation to pass a charter school law, public charter schools—independent public schools that are publicly funded and accountable, yet free of the bureaucratic constraints on traditional public schools—are having an impact on the education landscape in California. Home to 415 charter schools enrolling 157,000 students—or 2.4 percent of all public school students in the state—California remains at the forefront of charter school innovation, with the largest charter-school population in the country, the second largest number of charter schools, and the fourth highest overall percentage of students enrolled in them. And the number of charter schools in California continues to climb significantly; more than one-third of California's charter schools have opened within the past two years.

California's charter schools are fulfilling the expectations set out in the Charter Schools Act of 1992, especially with regard to expanding learning opportunities for academically low-achieving students. However, the most important question for educators, policymakers, parents, and the public is: Are charter schools improving results and, particularly, are they increasing academic achievement? In just a decade, California's charter schools have pulled nearly even with the century-old district system on state measures of achievement and seem to do the most good for kids who need the most help.

While the average overall performance of charter schools remains lower than that of conventional public schools, three recent studies demonstrate striking progress as measured by analyses of the state's Academic Performance Index (API). Charter schools are doing a better job than other public schools of improving academic performance of at-risk students, API scores of charters that have passed the five-year mark exceed those of the average public school, and statewide API gains by charter high schools since 1999 are double those of other public high schools. Even the gap in current performance between charter and non-charter public schools is surprisingly small, given that a relatively large number of the charter schools are new. And since these outcomes have been attained despite serious financing inequities, there is reason to believe that charter schools are actually more productive than many traditional public schools.

There is also persuasive evidence that charter schools are accomplishing important non-academic goals such as smaller schools, strong parental satisfaction, and high student retention. Charter schools are also laboratories for systemic innovations, including new approaches to peer-based accountability. And, while their impacts on neighboring school districts are inconsistent—some districts are more willing than others to see them as a source of positive competition—forward-thinking school districts are benefiting from innovations pioneered by charter schools.

Despite rapid growth and promising outcomes, California's charter schools continue to face a variety of obstacles. The state's charter law is generally strong, but leaves far too much control in the hands

of local school districts, while providing too little guidance on how they should approve and oversee charter schools. Charter schools in California also face substantial funding inequities, and despite passage of Proposition 39, finding adequate financing and space for charter facilities will remain challenging.

California has some golden opportunities to lead. State and local officials, authorizers, charter school operators, and private-sector leaders can take a variety of steps to ensure that California "catches the wave" of charter-led innovation and improvement in public education. In particular:

- The state legislature should end the near-monopoly of districts on charter authorizing and oversight. Among the options to be explored are expanding the role of the State Board of Education, and allowing universities and major nonprofits to act as authorizers.

- The supply of charter schools should be expanded by replicating effective schools and creating thoughtful guidelines for converting underperforming district schools into charters.

- Public- and private-sector leaders should create more effective means of sharing successes and innovations between the charter system and traditional school systems.

- Laws and regulations should be more carefully targeted, so as not to inhibit creation of new charters nor increase the already heavy burden of paperwork on existing ones.

- "Charter districts" should be created at scale, with large numbers of schools operating on performance contracts served by a central office acting as "portfolio manager" rather than owner/operator of all schools.

The charter wave is still going strong in California. Whether it lifts all boats in the coming years depends on what policymakers do today.

Introduction

California's public school system is a vast ocean of children, adults, schools, and services, with 6.1 million kids at 8,915 campuses.[1] But beneath the surface, a new current is gathering force. This wave is another system of schools, just 415 in number, typically smaller than other public schools, and serving a minute fraction of the state's students: public charter schools.

Some school reform movements look promising from afar, but dissipate as they reach the shore. This one may go the distance. In just over a decade, this collection of public charter schools—publicly funded, publicly accountable, yet free of the bureaucratic barnacles of traditional public schools—has pulled nearly even with the century-old district system on state measures of achievement. Charter schools that have been around more than five years actually lead other public schools in academic performance, and the schools do the most good for kids who need the most help.

Some who have spent their lives in the traditional system see charter schools as pure undertow, diverting the system from its work of educating all children, and funneling away resources that should belong to "public" education. Charter advocates answer—and California law holds—that their model is public in every important respect, but based on assumptions and practices that can transform how the state delivers public education in the 21st century.

These exciting schools remain an enigma to many in the state. According to a 2002 poll of registered California voters, 48 percent of respondents either "know almost nothing" about charter schools or "have never heard of them."[2] In such a vacuum, public perceptions have too often been shaped by complaints of district officials or headlines about the malfeasance of a few shady operators.

When set against one basic yardstick—the expectations of those who passed the charter law—California's charter schools look quite good indeed.

The preamble to California's Charter Schools Act of 1992 set out a seven-part rationale for enacting the nation's second charter statute [below], including

What Was Expected?

The following is the preamble to the 1992 Act that established charter schools. Like many such statutes, it envisions a mix of new choices, broad innovation, and higher student achievement.

47601. It is the intent of the Legislature, in enacting this part, to provide opportunities for teachers, parents, pupils, and community members to establish and maintain schools that operate independently from the existing school district structure, as a method to accomplish all of the following:

(a) Improve pupil learning.

(b) Increase learning opportunities for all pupils, with special emphasis on expanded learning experiences for pupils who are identified as academically low achieving.

(c) Encourage the use of different and innovative teaching methods.

(d) Create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.

(e) Provide parents and pupils with expanded choices in the types of educational opportunities that are available within the public school system.

(f) Hold the schools established under this part accountable for meeting measurable pupil outcomes, and provide the schools with a method to change from rule-based to performance-based accountability systems.

(g) Provide vigorous competition within the public school system to stimulate continual improvements in all public schools.

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increasing learning opportunities, encouraging innovation, and creating new professional opportunities for teachers. The movement has not succeeded on all counts; certainly, more focused efforts are needed to "stimulate continual improvement in all public schools" through charter competition, as the preamble suggests. But as will be seen, charter schools have made headway. And on the central issue, improving pupil learning, a growing body of evidence points toward real success.

This paper examines the status and prospects of California's charter school movement. It highlights achievements that have been ignored and examines roadblocks to growth; appraises strengths and weaknesses of the state's charter law, as well as how the law and regulations have been interpreted; identifies some of the movement's innovative and promising practices, especially those that could help transform the non-charter public school system; and looks around the country for some good ideas that could help the California charter sector realize its potential.

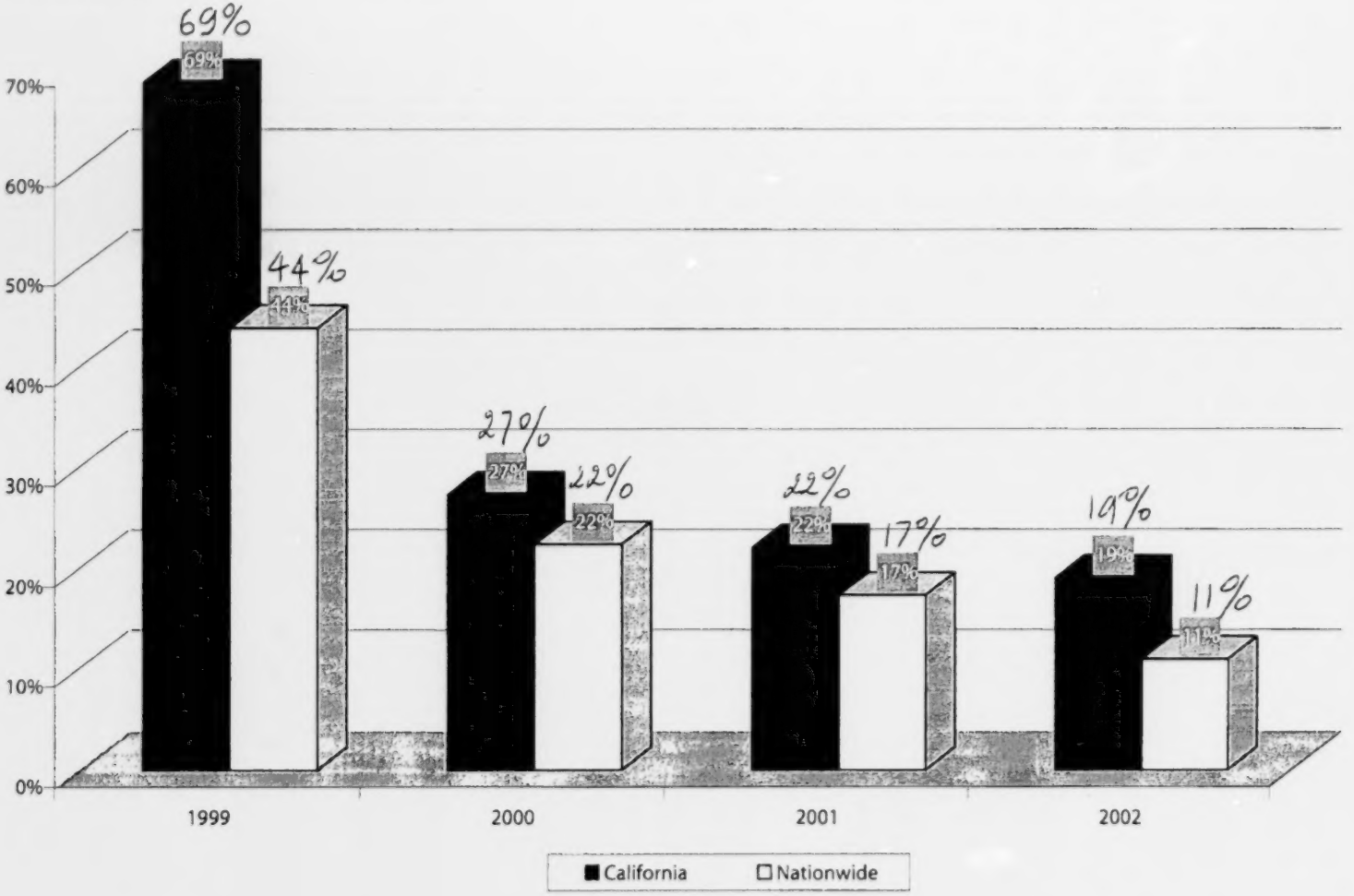
School Figures

A rundown of California's charter movement

- There are 415 charter schools operating in California in 2003, the second highest number of any state and 74 more than in 2002.[3]
- There's room to spare. The tally of charter schools has yet to approach the state's relatively liberal "cap" that permits 100 new schools each year. (If the pedal were to the floor, 650 schools might be in operation already.)[4]
- After a slow start, the pace of charter approvals picked up in the late 1990s, and now the state is bucking a national trend of diminishing growth.[5]
- California charters enroll nearly 157,000 students, by far the largest number in a single state. However, with 2.4 percent of California's elementary and secondary students enrolled in charter schools, the state trails Arizona, Delaware, the District of Columbia, and Michigan in terms of the proportion enrolled.[6]
- Twenty-seven percent of California charters are conversions of existing public schools, a somewhat higher proportion than is the case nationwide, but the proportion of such schools appears to be diminishing.[7]
- The overwhelming majority of California charters are authorized by local school districts. Nearly 60 percent of these (including many conversion charters) operate as legally dependent arms of the district, with the rest operating independently of their districts as "public benefit corporations."[8]
- Only seven charters have been approved by the State Board of Education as appeals of district denials.[9]
- Sixteen schools are located within eight districtwide charters granted by the State Board.[10]

Percent Increase in Charters, 1994-2002: California vs. the United States

While creation of new charter schools has fallen off since the peak year of 1999, the rate of charter growth in California remains stronger than that of the nation as a whole.



Source: California data: CSDC, *A Profile of California's Charter Schools.* The Center for Education Reform, 2003, p.5; National data: Center for Education Reform, as appeared in Hassel, Bryan C., "Friendly Competition," *Education Next*, vol. 3, no. 1, Winter 2003, p. 10.

The Law

California's charter law, only the second in the nation when it was passed in 1992, is admirable in many respects. It provides broad exemption from state regulation, allows teachers the freedom to decide whether they wish to bargain collectively, and requires that full operating funding follow the child to the charter school. Recent amendments have tightened the reins somewhat, particularly in the areas of oversight and financial accountability.

Along with its considerable virtues, the law contains one glaring defect. With few exceptions, the power to authorize and oversee charter schools rests with local school boards. Denials may be appealed to county boards of education and then to the State Board of Education, which can grant "districtwide" charters; but that power has been used sparingly. At last count, only seven of the state's charter schools have been approved through the state appeals route, and the eight districtwide charters approved by the State Board contain a total of just 16 schools.

In its original version, California's charter law allowed local boards wide leeway as to whether they would approve charter petitions. After several years of sluggish results, amendments adopted in 1998 tilted toward applicants, saying that a school district "shall not deny a petition for the establishment of a charter school" unless it makes written factual findings that the charter school presents an "unsound educational program," that the petitioners "are demonstrably unlikely to successfully implement the program," or that the petition fails to present "reasonably comprehensive descriptions" of required program elements.[11]

This language, combined with an easing of the original statewide cap, helped produce an upsurge in approvals. But it still allowed local boards to make their own interpretations of "unsound educational program" and the other criteria, leaving plenty of room for hostile school districts to make arbitrary decisions.

The State Board of Education in July 2001 adopted application-review guidelines that clarified these terms—at least for the few appeals that reach the State Board. Some local districts, notably San Diego and the Los Angeles Unified School District (LAUSD), have also adopted admirably clear rubrics to guide the review process. But too many local boards, when confronted with their first charter application, are flying blind.

Out of Bounds

While the original law restricted chartering to local districts, it also left significant latitude for extra-district operations. Districts could create virtual schools for students anywhere in the state, and could also award charters for brick-and-mortar schools located outside district boundaries. While most applicants made responsible use of these opportunities, a few scoundrels materialized. The

Charter Schools Act of 1992, as amended: Highlights[12]

Approval Process	
Eligible Chartering Authorities	Local school board; county office of education (COE) (for students served directly by COE); county or State Board of Education on appeal. State Board can also approve all-charter districts if 50 percent of teachers sign petitions.
Types of Charter Schools	Converted public schools, startups.
Formal Evidence of Local Support Required	50 percent of teachers at a school must support conversions; 50 percent of prospective teachers and 50 percent of prospective parents/guardians must show support for new start.
Term of Initial Charter	Up to 5 years.
Operations	
Automatic Waiver from Most State and District Education Laws, Regulations, and Policies	Charter schools exempt from all laws that are unique to district public schools; district policies only applicable if mutually agreed.
Legal Autonomy	Unclear. Can form as separate legal entity (i.e., nonprofit public benefit corporation) but cannot tax, condemn property, or bond.
Governance	Specified in charter, but must ensure parental involvement.
For-Profit Organization	Charters may be managed by, and given directly to, for-profits.
Facilities Assistance	As of November 2003, local school boards are required to allocate facilities to charter schools within their jurisdictions serving 80 or more "in-district" students.
Reporting Requirements	Annual financial reports that indicate progress made by the charter school in the previous year.
Funding	
Amount	100 percent of state and district operating funds follow students, based on average district per-pupil revenue for classroom-based charters; for non-classroom based charters, the State Department of Education makes the decision. Formula funds are rolled into a block grant.
Path	Funds pass from state to county to district to school (indirect); and from state to county to school (direct).
Start-up Funds	Federal funds available; state offers revolving loan fund.

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Teachers	
Collective Bargaining/District Work Rules	Teachers may remain covered by the district bargaining agreement, negotiate as a separate unit with charter school governing body, or work independently.
Certification	Required except for "non-core" and "non-college prep" subjects.
Leave of Absence from District	Specified in charter.
Retirement Benefits	If a charter school chooses to participate in the State Teacher's Retirement System, all qualified employees shall be covered.
Students	
Eligible Students	All students in state.
Preference for Enrollment	District residents and siblings. Charter must specify means by which school's student body will reflect racial and ethnic balance of the general population living in the school district.
Enrollment Requirements	None required; charter school allowed to determine.
Selection Method (in case of over-enrollment)	Lottery/random process.
At-Risk Provisions	Priority is given to schools designed to serve low-achieving students.
Accountability	Charter schools shall meet all statewide standards and conduct the pupil assessments required and any other statewide standards authorized by statute or pupil assessments applicable to pupils in traditional public schools.

Source: Adapted from *A Profile of California's Charter School Law*, The Center for Education Reform.

financial practices of one virtual charter provoked a legislative crackdown on non-site-based schools; Fresno Unified revoked a multi-campus charter in early 2002 after allegations of financial and personnel irregularities. Although the school was collecting state funds, it was unclear who was responsible for overseeing the performance of its 14 sites.[13]

After sensational publicity over these incidents, the legislature eliminated out-of-district sponsorships, and ruled that such schools already in existence should find new authorizers closer to home by 2005.

The same legislation took an intriguing turn, however, allowing the State Board to authorize multi-campus, multi-county charters providing they could demonstrate "statewide instructional benefit" (another fuzzy term that the Board is now struggling to define in regulations). This provision is potentially far-reaching, since it establishes the principle of a statewide authorizer as an alternative to chartering solely by local school boards.

Outcomes

Whatever the reasons for establishing charter schools—innovation, choice, diversity—the most important question is whether these schools increase academic achievement.

The most common way of answering that question is to compare the average current test scores of charter and non-charter students. By this familiar measure, charter schools typically come up short. Their average current test scores are lower than those of other public schools.

There may be many different reasons for this outcome. Perhaps the charter school down the street simply is not doing a good job of educating. Perhaps it is brand new and still getting its footing. Perhaps the preponderance of its students were at the bottom of the academic heap when they walked in the door.

It has taken a while to begin telling these differences, in California and around the country. Researchers have begun looking at performance in more depth—comparing these average "snapshot" results to how students and schools do over time.[14] While charter partisans await the day when their schools outpace others on all measures, there is plenty in these recent evaluations to provide encouragement.

Student Achievement

Since 1999, California has calculated school progress through an Academic Performance Index (API) combining both nationally normed exams and tests based on state standards. Since the weightings given to the API's test components may change from year to year, the California Department of Education annually publishes two sets of reports. The "base" score represents a school's achievement against the current year's API, while a separate "growth" measure marks progress since the prior year's baseline, corrected for any changes in the components of the API.

In the past year, three analyses of charter performance on API have finally taken into account key variables, such as the population served and the growth trajectory of charter schools. All three show charters holding their own and even outperforming traditional public systems.

Charters and At-Risk Students

In March 2002, a team of researchers from California State University did a comprehensive comparison of charter and other public schools serving low-income children, looking at the performance of all such schools in the state over a three-year period. The findings were startling: "California charter schools are doing a better job of improving the academic performance (as measured by API) of California's most at-risk students ... than non-charter California public schools." The study found the greatest improvement in schools serving the most impoverished students—a group, it notes, that charters serve in higher percentages than does the regular system.[15]

The importance of this finding cannot be overstated. A principal aim of California's charter law is "expanded learning opportunities for pupils who are identified as academically low-achieving,"[16] and as the Cal State researchers say, the 118-point gap between average statewide API performance and that of low-income students is "staggering." If charter founders set out to serve disadvantaged children, attract a higher percentage of them to their schools, and do a better job of educating them than regular public schools, this is strong early evidence that they are fulfilling their mission.

Pulling Ahead

A second study, just released by the Charter School Development Center (CSDC), looks at charters that have passed their five-year milestone and finds that their current API scores actually exceed those of the average public school. This finding takes on added significance since the 2002 API base score primarily reflects achievement on the California Standards Tests and the California High School Exit Exam rather than the norm-referenced Stanford-9 test.[17] In other words, to those who wonder whether charter schools are held to the same standards as other schools, these results say "yes." Indeed, these veteran charters are doing better against state standards than other public schools.

As CSDC itself points out, a small grain of salt is called for here, because some 40 percent of charters do not have base scores. Some are too small and some serve early grades that do not take the state tests. Nonetheless, the study considered a rather significant remainder.

Another new study, this one by Hoover Institution scholar Margaret Raymond, offers additional evidence that charters are yielding long-term results. While the current average performance of California's charter high schools remains slightly lower than that of conventional high schools, their average statewide API gains since 1999 have been more than double those of other public high schools. And the rate of growth for charter elementary schools is greater than that for other public elementaries in their home districts—that is, charter elementary schools are making faster progress than their direct local competitors.[18]

Drilling Down

Take a closer look, and the news gets better:

- Even though CSDC's report makes clear that mature charters do better than their counterparts, the current API gap between *all charters* and other public schools is surprisingly small: 667 base points compared to 689 on the 1000-point scale.

- Of the 38 percent of charters that have been in business long enough to receive growth scores (i.e., improvement over time), 70 percent demonstrated improvement over their previous year's scores, and 53 percent met targets for both schoolwide and student sub-group growth—the same percentage as non-charter public schools.[19]

Looking at the Numbers

It is also important to consider the context of these findings:

- *Factor in the mission of these schools:* Roughly one-half of all charters serve at-risk populations (adjudicated youth, special education students, dropouts, etc.) who would be expected to have lower aggregate test scores.

- *Consider their youth:* A recent Brookings Institution study pointed out that test scores of new charter schools typically experience a two-year lull, and then turn up in the third year, perhaps owing to "the stress and strain of opening a new school" and to the very fact that students are in a new setting. (Prior research has shown quite convincingly that student mobility depresses tests scores. ...[20]) Since more than one-third of California's charter schools have opened within the past two years, one might expect that the proliferation of new schools would produce a larger gap.

- *Notice where they are located:* The Hoover study also looked at API scores by grade level since 1999, and found that the average charter API score is lower than that of the average conventional public school—but with isolated

exceptions, the difference is not significant. As the study says, "This finding is noteworthy because of the unequal distribution of charters across districts. The conventional school average includes schools in high performing districts that have no charter schools."[21]

Compared to What?

Providing context of this sort is not intended to excuse poor performance, but rather to understand more clearly how charter schools offer promise, and determine where to focus improvement efforts. Failure to consider such context can lead to unnecessarily harsh interpretations of surface data. One recent report, for example, included this bleak conclusion: "No achievement advantage has been detected in average school-wide scores among charter students in California, compared to regular schools, in taking into account social class, language, and other student characteristics."[22]

This may be true, up to a point. The analysis cited in the report, which looked at 97 charters from around the state, actually said their performance was "indistinguishable from average." And while it did take into account the factors noted above, the original analysis lacked information on one critical characteristic: students' achievement *prior* to enrolling in charter schools. In fact, it went on to say that "charters may be doing an excellent job" of bringing up the performance of low achievers.

The same numbers can lead to very different conclusions. Charter proponents might argue that "indistinguishable from average" translates to "the system has had 100 years to get it right, and charters have pulled even in 10."

Beyond Test Scores

As a recent RAND study urged, researchers should also pay attention to indicators other than test scores—for example, continuation in school and college attendance—when evaluating charter performance.[23] Regrettably, there is little systematic collection of such data in California or other states, but the available non-test data say some encouraging things. California's charter schools are accomplishing a lot of things that have been sought, or dabbled with, or talked about, in traditional public school systems. Some of the following items are considered good indicators of future achievement:

Scale

A raft of recent studies has established that smaller schools tend to promote higher achievement, especially among disadvantaged students. The record in California bears out this trend: Of the 113 high schools that enroll fewer than 600 students, 60 are in the top half of all state high schools in school performance, while 24 are in the top 10 percent compared to schools with similar student demographics.[24]

By their very nature, and often in reaction to the anonymity of large comprehensive schools, charter schools have a more intimate scale. Median school size among California charters is 178 students, compared to 561 students in other public schools.[25] It should be noted that many of these schools are still growing, starting with one or two grades and adding grades as students move ahead. But at full flower, most will not reach anywhere near the size of traditional public schools.

Parent Satisfaction

A survey of 100 California charter schools reported by the Pacific Research Institute in 2000 found that 66 percent of parents surveyed were "very satisfied" with their children's charter school experience—nearly double the figure for their children's prior school—and that 90 percent would keep their children enrolled in their current charter school. By a wide margin, parents cited curriculum as their number one reason for selecting a charter.[26]

Retention

The impression of strong parent bonds is reinforced by a study of five Los Angeles charters that were up for renewal in 1998. It found that the charter schools "retain the same, often higher, proportions of students than comparison schools [in LAUSD] from one year to the next."[27] As yet, however, there is no statewide data to confirm these findings on a larger scale.

Waiting Lists

A 1997 evaluation by SRI International found that 63 percent of California charter schools reported waiting lists—a good sign of burgeoning popularity.[28] But in the years following, the number of operating charters has jumped—and waiting lists are only needed if supply cannot keep up with demand. A new look at this data is needed.

The most reliable source of data about the charter sector is the Charter Schools Development Center, a nonprofit support group located at California State University's Institute for Education Reform. CSDC obtains data the old-fashioned way—by surveying schools and doing diligent follow up. CSDC points out what is perhaps the most serious shortcoming in California's educational record-keeping: "the lack of a reliable system for tracking longitudinal growth in individual student performance."[29] Given the provocative findings reported here about the increasing value of charter schooling over time, especially for disadvantaged children, the lack of such systems may be fostering a more negative view of charter performance than is warranted.

Emerging Stars

It is generally a bad idea to analyze system performance by looking at the record of a few stars. But it *is* a good idea to look at some of California's emerging charter success stories, because these outfits are run by "edupreneurs" who are already at work launching replications of their initial successes. The charter law makes it possible for such replications to happen far faster than in conventional public school districts.

- San Diego's High Tech High challenges many assumptions about high school. It is located in a renovated naval-base warehouse, treats students like adults rather than adolescents, including mandating a 100-hour internship, and is imbued with technology that changes the way instruction is delivered and evaluated. For example, to overcome the fragmentation of student data usually found in comprehensive high schools (this year's results never reaching next year's teachers), founder Larry Rosenstock and his staff have created a "digital portfolio" system for tracking student work against the school's learning goals. Tightly focused on creating projects that make learning meaningful for students, the school lacks some amenities like a gym and cafeteria. While the school received substantial private startup funding, its operating budget spends less money per pupil than other San Diego schools, while maintaining lower student-teacher ratios.[30] Despite a dip in its academic growth trajectory this year, High Tech High's baseline API scores remain in the top decile for the state and far outpace all high schools with comparable demographics in San Diego.[31]

- As superintendent of the San Carlos School District, Don Shalvey established the first charter school in California. In 1998, he and Silicon Valley entrepreneur Reed Hastings (now president of the State Board of Education) founded Aspire Public Schools, a nonprofit corporation creating a statewide network of

charters. Aspire's administrators make a point of seeking parent input in teacher and principal evaluations, and its schools have maintained high teacher retention rates, even in their startup years. There are some strong early results: University Public School, the first of Aspire Public School's seven current campuses, opened in 1999 in San Joaquin County's Lodi Unified District. In 2002, this elementary school was named a California Distinguished School, with its API growth rate placing in the top 3 percent of schools statewide. This year, University again far outstripped its state target for API growth.

- Attorney Mark Kushner aims to spread the success of San Francisco's Leadership High School, which he founded in 1997, to a statewide network of 25 schools as part of a new organization called Leadership Public Schools. (Charters have already been approved in Richmond and Oakland.) Results have been impressive at the original school, the nonprofit network's flagship, which in 2001 sent 64 of its first crop of 65 graduates to college. The school practices what its name implies: "If students want something for their school—whether it be better lighting, a tech club, or a soccer team—they are encouraged to come up with a detailed plan to make it happen."[32] Incoming ninth-graders attend a trust-building retreat in the Marin Headlands; when they start school, the curriculum includes a world studies class that combines English and history—where they're expected to conduct mock trials. With low-income students making up more than 80 percent of the student body, Leadership High's 2002 API base scores were in the top 20 percent of all California high schools, and in the top 10 percent of those with similar student populations.[33] They now plan to take this tested and proven model to other communities of need.

- In South Central Los Angeles, the Accelerated School is an oasis. A K-8 school founded in 1994, Accelerated serves its mostly Latino and African-American population with a heady mix of gifted-style core curricula, arts, character development, and even yoga. *Time* magazine named Accelerated its "2001 Elementary School of the Year," calling it one of the nation's "most accomplished K-12 institutions ... [for having] found the most promising approaches to the most pressing challenges in education."[34] The school is now expanding to K-12, with a spectacular new building being developed in partnership with LAUSD.

Real Change

So far, we've looked at how charter schools, plural, are doing. But we also have to ask whether the idea, the model itself, has legs.

To get at the answer, we need to see whether there are impacts on the system. Does the existence of a performance contract change who teaches and how they go about it? Do schools approach accountability differently when they operate with real consequences? How do traditional school systems react to the presence of charters in their midst?

Who Teaches

The characteristics of charter school staffs have led to some interesting debates about who can and should teach in public schools. For example, in California and other states you are more likely to find younger teachers in charter classrooms.[35] Teacher experience has been identified by researchers as one factor in producing stronger student achievement,[36] and some critics have consequently harped on the inexperience of charter teachers. But these teachers may come from different backgrounds, and may be teaching in very different circumstances, than the district-based education school graduates represented in national data.

Then there is the question of certification. A recent report by Policy Analysis for California Education (PACE) found that 32 percent of California charter school teachers are not credentialed, more than twice the rate in the public school system.[37] This slightly exceeds the national trend, where about three-quarters of charter teachers are certified in their fields.[38]

State certification is generally required for charter school teachers in California, and it may well be that some maverick schools just are not playing by the rules. But it should be noted that until 1999, California's charter law did not require credentialed teachers, and still provides leeway in this area by permitting the hiring of uncertified staff in "non-core, non-college preparatory" courses. It is not yet clear how this provision will square with the "highly qualified teacher" provisions of the federal No Child Left Behind Act (NCLB), which by 2006 will require proof of subject-matter competence in more core subjects than the California statute.

Nationally, charters seem to place a greater emphasis on teacher knowledge than education credentials. Harvard economist Caroline M. Hoxby, studying a national sample, found that: "[C]harter school teachers are more likely to have master's degrees in fields like business, arts, and science (as opposed to education), and they are more likely to have obtained them *before* becoming a teacher." She suggests that such changes can have rapid impact on the broader teaching profession in the context of a robust charter movement: "In Arizona, the vast majority of the *stock* of teaching jobs are in regular public schools. ... Yet, approximately a third of the *flow* of new teaching positions is provided by charter schools."[39] (Emphasis in original.)

One trait that seems to unite this particular teacher corps is a willingness to take risks. According to a study of California charters conducted by the Southwest Regional Education Laboratory: "[C]ompared to their counterparts in regular schools, charter-school teachers reported that they had more

influence but heavier workloads. Teachers in new charters were the least secure about their jobs but were among the most satisfied with their jobs."[40]

How They Teach

Do charter schools "encourage the use of different and innovative teaching methods" as envisioned by the Legislature in 1992? Some think not. In 1998, UCLA's Amy Stuart Wells looked at 15 charter schools in 10 California districts and observed that in all but one case, they "were not serving as models of innovation from which educators in other schools could learn."[41]

It is important to understand what "innovation" means. A school that successfully delivers a back-to-basics curriculum may not seem to be doing something innovative. But in the context of a failing district, it may be a radical and splendid innovation in the lives of students. Some analysts are clearly missing the forest for the trees, dismissing important advances in personnel or business operations because they are so obviously intrinsic to the charter model. (Ask any leader of a traditional public school whether it would be "innovative" to dismiss a lousy teacher without months of haggling.)

Yet even in the more traditional sense of the word, California charters are embracing innovation. According to CSDC, about one-quarter of California charters use project-based learning programs; more than 60 feature experiential approaches, and double that number fashion individualized learning plans for their students; more than 60 schools extend learning time through longer days and school years than other public schools. And 16 percent of charters combine classroom learning with home-based or other non-classroom learning.[42]

Schools Owning Accountability

Arguably, the greatest of all innovations to emanate from the charter movement is what might be called "Apocalyptic Accountability": You meet standards or you are put out of business. The model has now migrated over to all other public schools courtesy of the No Child Left Behind Act.

Recognizing the damage done by a few rotten apples, and knowing that good schools thrive on candid evaluation, California's charter movement has ratcheted up its accountability efforts. The initiative is largely peer-driven, and its motivation is well captured in the accountability plan for Los Angeles' Vaughn Next Century Charter School:

> "The tax-paying public will only support educators when they see us doing what we have historically been reluctant to do: voluntarily assessing the effectiveness of our program and holding one another accountable for results."[43]

The accountability surge is being felt around the state:

- Twenty-nine charter schools in the San Diego region have joined The Accountability Project, a consortium sponsored by the San Diego Business Roundtable. The Project aims to boost achievement by creating an environment of data-driven decisionmaking grounded in robust accountability systems. Over the course of four years, consortium

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Governance/Networks

Each charter school is usually overseen by its own board of trustees. But as the numbers accelerate, are there enough skilled and committed board members to go around? With seven operational schools and more in the pipeline, Aspire Public Schools uses an innovative governance model that solves this problem. A single corporate board makes strategic, non-political decisions about fiscal and policy matters affecting all campuses, while advisory groups at each site provide guidance on school calendars, parent engagement, dress codes, and other locally sensitive matters.

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Governance/Collaborative Oversight

Although California law gives too much control to local school districts, it should be noted that some districts have made serious attempts to design new approaches to charter oversight. One is the Los Angeles Unified School District. Under the direction of former charter school principal Grace Arnold, LAUSD's charter schools office has adopted a facilitating/mentoring stance, rather than simply enforcing rule-based compliance. Arnold "hates the word oversight," saying "it's contradictory to charter law and what charter schools should be allowed to do." She convened veteran charter operators to help rewrite the district's charter policies; they'll stay together as a "community of practice," sharing best practices and fostering peer-based accountability systems.[44]

members will collect, manage, and analyze data, communicating results clearly to parents and policymakers—and most important, learning to integrate data into planning for school improvement and organizational growth."[15]

- The California Network of Educational Charters (CANEC) announced last October an accreditation program that will require its members to undergo a rigorous evaluation through the Western Association of Schools and Colleges, the body that now accredits about 16 percent of the state's mainstream public schools.[16]

- The Charter School Development Center recently mobilized 30 of the state's charter-granting agencies to create and implement "a comprehensive charter school performance evaluation program" that will provide internal school-quality reviews, an external review system through which charter authorizers can monitor schools, and accreditation of elementary and secondary charters. The program will enable charter school students to meet stringent new admissions requirements at the University of California and California State University.[17]

Ripple Effects

Despite an often-chilly reception by neighboring public systems, charter schools do seem to be inspiring some changes in the way California school districts conduct business. It is hard to track cause and effect with specificity, in part because charter schools are, in the words of education researchers Allen Odden and Carolyn Busch, "the country's most aggressive version of school decentralization."[18] Some school boards and superintendents have for years sought to devolve more decisions to the school level—so when charters provide a little extra kick in that direction, they may not get credit.

Nevertheless, there is evidence that the charter model is gnawing away at the hierarchical, top-down foundations of California public schooling. Sometimes it happens because an enlightened administration actually welcomes a healthy dose of charter competition. Such was the case in the Chula Vista Elementary School District. After the district authorized four conversions and one new charter, it became clear to central office staff that they now had to compete with private vendors for the charter schools' business. As services from maintenance to media purchases were outsourced, the central office had to review its own practices, increase customer responsiveness, and create price structures based on the real value of services.[19]

In other cases, the competition is not so welcome—but still can be a useful wedge for systemic change. Despite its wariness about charter schools (including the rejection of a charter application from Oakland Mayor Jerry Brown), the Oakland Unified Board of Education approved in August 2002 plans to create "a network of ten, new, small autonomous schools of choice for parents, students and teachers." Never uttering the word

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"charter," the Board's announcement said the plan was inspired by New York City's New Visions schools, which operate fully within that city's public system, and added that "if we are to expect innovation and excellence, we must provide the resources, authority and flexibility for staff and parents at each site to make the changes necessary at the school level."[50] (Three of the schools, it is reported, are planning to pursue charters this fall nonetheless.[51])

A Note About Productivity

In looking at the transformations being wrought by charter schools, one is reminded of that great Californian Ginger Rogers' comment about her dancing skills—that she had to do everything Fred Astaire did, but backwards and on high heels.

Charter schools have to meet the same standards as non-charter public schools but without nearly the resources. If overall outcomes are approaching parity, as suggested by the studies cited above, then the charter sector is probably producing a far more impressive gain in educational productivity (bang for the buck) than is commonly recognized.

Charter laws are a revenue-neutral reform. As students migrate from traditional districts into charter schools, the net increase in spending is minimal—just the meager incremental costs of staffing for authorizers' approval and oversight functions. Existing education dollars are simply shifted from the regular school system to charter schools.

In fact, California charters have cost the state substantially less than conventional public schools:

- Non-conversion charter schools (about three-quarters of the total) have had to rent or buy their buildings with no support from the state's capital budget. A recent UCLA study found that—adding in school facility construction costs—LAUSD spent a total of $13,267 per student for the 2000-2001 school year[52]—far outstripping the roughly $4,900 per student that pays for the whole range of charter school operations.[53]

- Due largely to the denial of capital funds, charter schools have had to raise substantial private resources that replace public funds in supporting key functions.[54]

- Little acknowledged in arguments about school funding, charters also *generate* funds for school districts in several ways. As noted in a recent federal study, "Charter schools that lease facilities usually pay property taxes to local school districts as part of the rent."[55] Since 54 percent of California charters pay market-rate rent or mortgages,[56] they make a substantial contribution in this way. Authorizing districts also collect fees of up to 3 percent of charter schools' operating revenues to pay for their administrative responsibilities; and of course, districts can also collect revenues by vending services to the schools.

Unhappily, the current productivity equation is skewed negatively: Charters produce roughly equal achievement outputs for significantly less spending. Charter proponents would rather get equal resources and have the opportunity to produce higher achievement. With the advent in November 2000 of Proposition 39, the statewide referendum that requires districts to provide facilities to schools they charter, the state is helping to create that level playing field—although, as discussed in the next section, difficulties remain.

In contrast to some other ventures in educational spending (for example, California's Class Size Reduction program, which costs $1.5 billion annually but has produced "inconclusive" student achievement results[57]), the charter option looks like a bargain.

Challenges and Obstacles

The overall news about the success of California charter schools is better than the public has been led to believe. Among current charter leaders are some wonder-workers who have turned around the lives of kids, and the state itself has moved conscientiously to remedy some of the more pressing issues of oversight.

But has this wave already crested? In 2033, will historians be writing about an ephemeral *fin de siecle* phenomenon called charter schools—or sending their children to thousands of successful, high-performing schools chartered by universities, museums, and transformed school districts?

The answer depends on whether the state can address, with urgency, the obstacles to responsible growth.

Indifferent Authorization

The first and most pressing problem is the porous quality of charter authorization. The process of approving charter schools and holding them accountable for outcomes is a new phenomenon, and there is no agreed-upon code of best practices. But work done by the National Association of Charter School Authorizers and other groups is creating consensus around a few key objectives: rigorous approval processes, operating from clear criteria and reviewing both the technical quality of the application and the track record of applicants; ongoing monitoring of operations and finances that catches potential problems before they threaten a school's viability; accountability mechanisms that are fair, results-driven, and transparent; and renewal processes based on data rather than authorizer whim.

Trading on Monopolies

These objectives are not well-served by California's charter law, which awards a near-monopoly on chartering to local school districts. Put bluntly in a new study by the Thomas P. Fordham Foundation: "Local school boards generally do not make good authorizers," due to "local politics, inadequate infrastructure development, authorizing for the 'wrong' reasons, and the tendency of staff to stress compliance-based accountability ... "[58]

The awkward fit was also explored in a U.S. Department of Education (DOE) study:

> "Public school boards are not accustomed to receiving proposals from new groups that want to run schools, subjecting such proposals to careful review, establishing enforceable performance agreements with individual schools, monitoring schools on the basis of performance, or making decisions on whether a school will live or die based on whether the school performs as promised."[59]

California's district-based charter system was well-intentioned, seeming to facilitate a principal goal of its statute: providing a dose of competition that would help drive charter innovation into local public schools. Yet this commendable impulse has given way to "fundamental hostility and conflicts of interest" in too many cases.[60] According to one movement veteran, placing chartering authority solely with California school districts "is the source of at least ninety percent of the obstacles to a successful charter climate in the state."[61]

Restricting chartering authority to school districts has clearly given rise to some pernicious effects. A federal study reported, for example, that California districts, "as sole charter granting entities, negotiated charter school funding and reported that they strongly

suggested (and sometimes required) that charter schools purchase services from the district, including legal, purchasing, payroll, accounting, or insurance."[62] (A brand-new review of charter data confirms this, as roughly one-third of all California charters receive all services from sponsoring districts.[63])

There are some arguments for keeping charters, particularly conversions, in this semi-dependent status. By charging fees for services, districts can partially offset the budget impact of losing per-pupil revenues, which might help keep the peace. Some districts are smart enough to use chartering strategically, as a way to rethink their own central office operations. But too much entanglement can also impede charter schools' autonomy and marginalize their potential for real reform. Purchasing services from districts should be one option available to charter schools, but it is in the long-term best interest of both districts and charter schools to have a competitive market that provides a wide range of options for charter schools to purchase or provide services themselves.

Application Processes

Charter accountability should start with a rigorous approval process, but as noted, California's charter law puts a heavy burden on those who would deny an application. Only 23 percent of authorizers nationwide have ever turned down an application, and the figure is even smaller (19 percent) for local districts—which are the primary authorizers in California.[64]

Some of the state's larger and better-resourced districts have actually created quite thorough and thoughtful application processes. But among many of the smaller, low-volume communities—the 213 districts with fewer than five charter schools—the processes are often poorly structured.[65]

One inhibitor is the process laid out in the Charter Schools Act itself. By requiring that school boards act on a charter petition within 60 days of receipt, the Act undercuts authorizers' ability to create systematic application periods, with predictable recruitment cycles for expert reviewers, and with approval deadlines in reasonable relationship to school-opening dates. Other states allow various approaches: Charter authorizers in Minnesota must notify the state of their intent to sponsor a new school by March of the year prior to opening. Ball State University in Indiana requires a statement of intent by June of the prior year, with a formal proposal due in August. North Carolina charters must be in "substantially approvable form" by August 31 of the year prior to opening.[66] By contrast, California districts can recommend but not enforce a timetable. (LAUSD, for example, simply encourages developers to have a "near-final draft of a petition" ready by the November prior to opening.[67])

Oversight

Confusion about the responsibilities of districts authorizing charters has provoked some of the most serious questions about the quality of the state's charter program.

A November 2002 report by the state auditor[68] found that in the five largest districts, district-based authorizers "do not typically have guidelines in place to effectively monitor their charter schools against the agreed-upon student outcomes" and consequently are not "in a position to identify necessary corrective action or revocation." Similarly, the auditor found that the agencies were not performing routine compliance monitoring in such areas as teacher credentialing, instructional time, and participation in state assessment programs. The report also said the agencies "lacked necessary policies and procedures for effective fiscal monitoring" of fiscally independent charters."

In their response to the audit, the agencies objected to being evaluated based on criteria that were not explicitly laid out in statute: "Each chartering agency noted repeatedly that the legislation regarding charter school oversight is unclear."[69]

True enough, and all too familiar. Charter laws typically do not spell out how an authorizer should monitor schools, perhaps in the belief that most schools are overseen by local boards and the less said, the more autonomy schools can enjoy. But as the movement comes to scale, a laissez-faire approach is not good enough. The best authorizers use statute as a foundation, not as a ceiling. They sit down with their schools to build lean but effective procedures emphasizing mutual responsibilities rather than top-down compliance. To be sure, some charter operators will complain if an authorizer cannot justify every action by direct reference to the law; but in the long run, everyone benefits from proactive rather than minimalist oversight.

The state itself may soon be obligated to look more closely at the performance of authorizers. While the No Child Left Behind Act and subsequent guidance by DOE put charter authorizers firmly in control of implementing the Act's accountability provisions for charter schools, conference report language accompanying the Act makes clear that states are to hold authorizers accountable in turn for their performance.[70]

Financial Inequity

Any discussion of charter school budgets usually comes down to two questions: First, does all the money follow the child? Second, what about facilities?

In California, the answer to the first question is "Yes, but ... " and the answer to the second is "Don't ask!"

Does the Money Follow the Child?

State funds flow to charter schools in two large streams. Charter schools get roughly the same amount of general-purpose entitlement funds as other public schools, calculated as an average for each of four K-12 grade spans. They also receive a charter-school block grant representing a per-pupil average of 42 state categorical grant programs, ranging from professional development to violence prevention. It is a straightforward system designed to put charters on a level playing field with other public schools, and this year it produced average per-pupil funding of about $4,856 in the middle grades.[71]

However, this apparently simple arrangement masks some important deficiencies:

- The original intent of the block grant was to provide charter campuses with a flexible source of income while sparing them (especially smaller operators) from having to submit multiple grant applications. But as new funding streams have come online, they have been left out of the block grant. The result is an increase in grant writing—and rather than drown in paperwork to secure a few dollars per program, some schools have quit trying.

- Another problem is that most charter funds flow through district offices and in some cases do not make it to the school in time to pay the bills. According to Dennis Udall, chair of the Board of Trustees for North Oakland Community Charter School, "The kinks have

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Accountability/Follow-up

Westwood Charter School surveys parents and teachers of middle schools that enroll its graduates as a way of checking quality and fine-tuning its own program. The most recent survey found: "The majority of students, parents, and teachers agreed that Westwood students were well prepared in reading and understanding assignments, in math, in writing and writing mechanics, in science and social studies, and in managing homework and organizing time and study materials ... "[72] Through a grant from the California Department of Education, survey results are also posted on a special evaluation website the school has created.

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not been worked out in the flow of funds, and sometimes money sits at the district office for months." Since grants are allocated from the California Department of Education to districts without earmarks for individual schools, it may take district staff some time to figure out who gets what. According to Johnathan Williams, founder of The Accelerated School in Los Angeles, "Health and welfare costs, transportation funds—they just don't happen."[73]

Facilities

California's voters assented in November 2000 to Proposition 39, which requires local school districts to provide "reasonably equivalent" facilities to schools they charter that have more than 80 in-district students. Although it does not take full effect until the fall of 2003, the measure has already prompted a good deal of teeth-gnashing by districts that say they cannot make space available.

- The East Side Union High School District in San Jose, for example, recently turned down what all parties agreed was a worthwhile application from Leadership Public Schools; Superintendent Joe Coto warned that the district "does not have the staffing to oversee a fifth charter school or the space to devote to it."[74] Under current law, Leadership could appeal to the State Board—but if approved, Prop. 39 would still require East Side to provide a facility.

- When approached by Ridgecrest Charter School for "reasonably equivalent" facilities, the Sierra Sands Unified District in the Indian Wells Valley east of Bakersfield responded by offering to put Ridgecrest's elementary students in classrooms at four different sites. In a gesture with Solomonic overtones, the district then offered the use of shared spaces such as multi-purpose rooms and computer labs at each site—*for exactly 6.51 percent of each school day.*[75]

There is a danger that, given the real shortage of school space plaguing many districts, Prop. 39 may actually become a barrier to charter school approvals. This would be too bad, because charter schools are emerging as a promising source of innovative approaches to facilities that can actually help districts address their overcrowding problems. Charters fit comfortably, for example, into the scenario proposed by education journalist Tom Toch: "[Cities could] locate small schools of several hundred students in office buildings and other spaces that are more readily available than new school buildings and less expensive to procure. A network of such schools could share centrally located sports, music, and performing arts facilities."[76]

But how to pay for such alternatives? Given the state's budget crunch, it is unlikely that charter schools will see significant new facilities funding from the state government anytime soon. New public/private ventures are needed, and the federal government is one important source of help.

A California team including the Low Income Housing Fund (LIHF), CSDC, the state's charter association (CANEC), and Excellent Education Development (ExEd), which provides operational services to charter schools, won a federal "credit enhancement" grant last year. It will make available $64 million in financing to 30 California charter schools over the next 14 years, providing extra support and guarantees that will make them more attractive prospects for private lenders.[77]

Left Behind?

The federal government's flagship education initiative, the No Child Left Behind Act, may present a potentially troubling barrier to the creation of new charter schools serving at-risk populations. Under the Act, each state is required to adopt an accountability plan that sets specific targets for the percentage of students who must achieve proficiency on state assessments in reading and math each year in

order for schools to make Adequate Yearly Progress, or AYP. Schools that do not reach these percentages for several years running, either for the whole school or for individual student groups (limited English proficient, disadvantaged, special education students, and ethnic populations), can be subject to sanctions that include state takeover.

Adequate Yearly Progress is a "status" measure. It shows whether groups of students attain a certain level of proficiency in a given year, but does not measure individual student growth. It will not show, for example, that a group of at-risk students who are not yet "proficient" nonetheless made great strides. Whatever else they might accomplish, with each passing year that students miss the AYP bar, their school risks being labeled a failure.

What might be the impact of this requirement, especially at the high school level? Will it inhibit creation of schools like the Life Learning Academy? The Academy, a charter within the San Francisco Unified School District, is based on the work of the acclaimed Delancey Street social services agency in San Francisco that for more than two decades has reclaimed the lives of addicts and ex-convicts. The Academy brings academic, vocational, and life-skills lessons to 60 youths who have not been successful in other settings, and a state evaluation found it to be a "profoundly effective program."[78] It would be a shame if groups were deterred from starting schools like this because of the potential risk of NCLB sanctions. And it would not be what Congress intended. The Act's authors warned that states should handle charter-school accountability in ways "that do not inhibit or discourage the approval or oversight of innovative, high-quality charter schools."[80]

Fortunately, DOE has shown an awareness of this problem. Its recent guidance on application of NCLB to charter schools, while making clear that they are subject to the Act's accountability provisions, stopped short of requiring that AYP become a part of every charter contract. That gives authorizers some needed leeway in determining how to deal with schools whose students make strong gains but do not reach the absolute level required for adequate yearly progress.

In addition, DOE has indicated its willingness to accept value-added approaches (based on gains in student performance rather than schoolwide attainment of an absolute standard) as part of state accountability plans. In Ohio's approved plan, for example, AYP will be one determinant of whether schools are due rewards or penalties, but the state will also look at longitudinal data on a value-added basis. That way, they will be able to make distinctions between schools that miss AYP because they have failed to motivate typically high-achieving populations, and those that miss AYP despite accomplishing strong gains with kids who started much farther down the achievement ladder.

A Wave of Promising Practice

Central Office/Transformation

The rural Twin Ridges district in Northern California has taken advantage of the charter opportunity more extensively than any other district. With just four schools within its boundaries (two charter and two not), Twin Ridges has also chartered 12 additional schools up to 200 miles away. Doing so has meant a radical rethinking of the central office's role. Rather than prescribing curricula and school policies, it leaves those decisions to the Charter Councils of each individual school. The central office has become a support/facilitation center, with district policy guided by a Charter Coordinating Council (CCC) of school representatives. Schools contribute 15 percent of operating funds so Twin Ridges can provide centralized accounting, payroll, and facilities services at scale. The CCC has moved from a forum for discussion to the basis for participatory self-governance.[79]

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Recommendations

California's charter schools have made encouraging progress toward the goals envisioned in the Charter Schools Act of 1992. But they cannot achieve full impact unless they grow in both numbers and quality, achieving a critical mass that exerts positive pressure on public school systems across the state.

This calls for action on several fronts: creating a new atmosphere of rigorous but supportive oversight, including authorizers other than local school districts; ramping up the supply of good new schools; helping move innovation more efficiently between the charter and non-charter sectors; targeting law and regulation more carefully to reduce paperwork burdens; and exploring the galvanic possibilities of converting entire districts to charter status.

1. End the District Monopoly

Expand Options

Recent legislation permits multi-site/multi-county charters to apply directly to the State Board of Education if they promise "statewide instructional benefit," but further steps must be taken to expand the number and quality of options for single-campus schools seeking a charter.

Two approaches are under consideration:

- *Let reluctant districts opt out of chartering.* The State Board would then have authority to designate an authorizer, either itself or an appointed oversight agent. This idea would help reduce the number of hostile environments in which too many charters now find themselves.

- *Allow a variety of new authorizers onto the field,* including state university campuses, nonprofits of significant scale, and regional education service agencies. Variations on this approach are already in effect in other states. Central Michigan University is recognized as one of the nation's most conscientious and innovative authorizers, and the nonprofit group Volunteers of America has joined the ranks of Minnesota authorizers.

Sharpen the Focus

Any new authorizer, whether at the State Board or a state university, needs a tight focus on the job of approving and overseeing charter schools. One approach might be like that taken several years ago by the State University of New York and now underway at the University of Toledo: create a separate nonprofit agency to handle the chartering chores.

Accredit Authorizers

Any significant increase in the number and type of authorizers should be accompanied by a process to determine whether they have the capacity to do the job well. Evidence that existing authorizers are misusing their powers (for example, creating burdensome application requirements, failing to hold schools accountable for performance, or making arbitrary renewal judgments) should put their own accreditation in jeopardy. The State Board of Education's Advisory Commission on Charter Schools should set the criteria.

Fortify the State Board's Chartering Role

As it becomes the authorizer of choice for multi-county charters, and especially if it takes on new statewide oversight responsibilities, the State Board of Education should have the legal authority to conduct business properly. Right now, it cannot arrange for special education services because it does

not have status as a Special Education Local Plan Area (SELPA), which is California's instrument for special education service delivery. When the State Board approves a charter on appeal, it has no authority over facilities funding, and the burden falls back on the neighboring district.

In any case, the State Board needs additional capacity. At present, its chartering responsibilities are handled by a single staff person who receives occasional support from other parts of the agency. The Board need not build a new bureaucracy (impossible, anyway, in the current budget climate), but its responsibilities already justify more manpower.

Rethink Ownership

It is good that California is trying to increase charter access to district facilities, but this begs a question: Why should school districts own all the buildings in the first place? State and local lawmakers in at least one charter-rich district should pilot a "Public School Real Estate Trust" that would be responsible for development and allocation of *all* public school facilities in a given jurisdiction. A neutral third party of this sort could make unbiased judgments about whether and how to share existing facilities between a declining district population and a growing charter sector, and when planning new construction, would have to take into account all the kids—not just those likely to attend district schools. The day may come when a conventional board can play this role, having morphed into a "portfolio manager" of schools managed by a variety of entities; but that day has not yet arrived. For now, an independent facilities authority ought to be explored.

2. *Ramp Up High-Quality Supply*

With 415 operational charter schools and 38 approved but not yet open, the overall number of charters lags significantly behind California's statewide cap.[81] Rapid growth is possible, but it should be a race to the top at the same time. Three areas should be emphasized:

Replicate Success

The federal government annually provides states with $200 million to aid those seeking to start and run charter schools. Ten percent of this is reserved for disseminating effective practices to fledgling sites, but no hard data is available to show whether these

A *Wave* of Promising Practice

Services/Special Ed

Vaughn Next Century Charter School, in the impoverished Pacoima neighborhood of Los Angeles, has been an engine of systemic reform since its pioneering conversion to charter status in 1993. Its founder and principal, Yvonne Chan, has used every ounce of the flexibility gained under the charter law, creating a performance-based teacher compensation plan, and leading an aggressive campaign of facilities expansion that has reduced overcrowding. The school remains a top academic performer, with recent API growth making it eligible for a Governor's Performance Award.[82] Perhaps Chan's greatest coup was turning around a costly special education program that, pre-charter, was chronically out of compliance. Vaughn struck a "revenue-neutral" bargain with the district: With its strong inclusion-based model, the charter school guaranteed the district that it would serve all special-needs kids in the geographic area it covered before becoming a school of choice—and the district now contracts out to Vaughn for special needs services for these children. Vaughn also serves 200 Head Start children coming from six nearby LAUSD schools without preschool programs and uses intensive efforts to identify and begin serving children with disabilities within this group. Parents then tend to enroll these kids in Vaughn's regular program, and as a result the school now has a higher proportion of special-ed students than it did as a district school.[83] In other words, Vaughn is now a successful vendor of special-education services to the district in which it was once a dissatisfied customer.

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national efforts have had much actual effect on improving general performance.

California's state charter office has made a commendable effort to move beyond show-and-tell and focus its dissemination efforts on vehicles with lasting value. The state should now join hands with private philanthropies that are seeking broad replication of top-performing charter schools. This is not a simple matter: Some schools start strong because of charismatic leaders rather than solid practices. It takes patient exploration to understand whether a good school's customs can take root at other sites.

National organizations now helping to shape the next generation of public school leaders (among them, the Knowledge Is Power Program and New Leaders for New Schools) spent several years building their own models of leadership development before beginning to recruit candidates. This kind of long-term capacity building should now be directed toward the task of multiplying good charter schools—but it will require sustained support.

Join Forces

Some of the best charter schools are small, local outfits that serve a particular community in depth—and in doing so, win tremendous loyalty from parents and students. In the years ahead, starting and sustaining these gems may become more difficult due to budget constraints and mounting paperwork burdens. The public and private sectors should foster the creation of networks that allow schools to benefit from economies of scale in areas such as insurance pools and cooperative purchasing arrangements.

Get Moving on Conversion Rules

California will soon have an extraordinary opportunity to expand its charter sector. In 2002, fewer than one-half of California's Title I schools met the state standard for AYP, and performance targets will begin ratcheting up sharply in the 2007-2008 school year, according to the state's proposed consolidated Title I plan.[51] Under the No Child Left Behind Act, schools that fail to make Adequate Yearly Progress for five years can be converted to charters—yet it is not clear how the conversion process will operate. Under California's charter law, the impetus for conversion now comes from the school community itself, and requires support from at least one-half of the current teaching staff. Conversion by the district, as a remedy for poor performance, is a different matter. There is real apprehension among charter advocates that some districts may simply affix a "charter" label to failing schools.

The urgency of creating clear, transparent conversion guidelines is brought home by the contretemps over the Sacramento Board of Education's recent decision to close Sacramento High, which had drawn state sanctions for persistent educational failure. The Board decided in January 2003 to close the school at the end of the school year, then subsequently voted to reopen it through a charter awarded to the nonprofit St. Hope Corporation. Since a new start does not require existing teachers to sign conversion petitions, the Sacramento City Teachers Association lambasted the closure decision as "no more than a veiled attempt by administrators to rout the teachers union."[52]

The opportunity presented by NCLB need not be quashed by confusions of this kind. State leaders should begin engaging union officials, school boards, and charter proponents in a serious dialogue about when and how to invoke the charter option as a remedy for chronically failing schools.

3. Thaw The Lake

Charter leaders are often asked to document the ripple effects of their work. But it is hard to have ripples when the lake is frozen.

Perhaps there will come a time when, through sheer numbers, charter schools will routinely exert profound effects on their surrounding districts. Until then, there is a need for specific, conscious vectors for getting useful innovations from one sector to another.

California would do well to create or import groups like the Project for School Innovation (PSI). Founded by the Neighborhood House Charter School, a K-8 charter school in inner-city Boston, PSI uses a five-step process that identifies important school practices and then structures an intensive dialogue involving both charter and traditional public school teachers, leading to action plans for implementation at new sites. The benefits are not one-way, and PSI is careful to point out that charters learn from the experience of district schools as well.

But wouldn't it be refreshing to hear California schoolteachers repeat what one veteran of Boston Public Schools said of charters: "I had thought we were foes rather than friends. Now I see we're all in this together."[86]

4. Avoid Overregulation

Change never comes without some pain—and some of the charter movement's worst pains have been caused by, in the words of former U.S. Assistant Secretary of Education Bruno Manno, "enemies within." A few rascals have used California's charter law as an opportunity for financial gain or sectarian indoctrination, or have taken outrageous advantage of lapses in oversight. They have done tremendous damage not only to children and families, but also to the charter movement's reputation. (The silver lining here is that these episodes also showed how the contract-accountability model works; the bad actors have been put out of business by their chartering agencies.)

Each notorious case, however, seems to unleash a new barrage of corrective regulations and legislation, many sponsored by charter-friendly officials who genuinely want to see the schools succeed, and some advanced by those who seize on every flaw to discredit the whole movement.

Sacramento needs to be careful about the unintended side effects of its vigilance. Don Shalvey of Aspire Schools says:

> "The charter law was a breath of fresh air. And when you open the window, some flies will fly in. It seems they've been trying to legislate the flies out of existence ... but in doing so, they've created an almost overwhelming burden of reporting and paperwork, especially for the 'mom and pop' charters."[87]

Any new law or regulation should use a flyswatter and not a bazooka. For example, recent legislation aimed at curbing profiteering by a few non-classroom-based charter schools requires schools to document spending on classroom instruction. But only 15 percent of California charters operate completely off-site programs, and about one-fifth of the rest include independent study or distance learning as part of their instructional repertoire. Now they must all document instructional minutes or risk losing funds.[88]

5. Think Big

Myopic expectations are the biggest impediment to fulfilling the promise of the charter school movement. Charters will remain at the fringes so long as educators think of them as boutiques for tough cases.

Is there anything in the basic charter model that cannot work at scale? Some of the country's larger authorizers, such as Central Michigan University, the Massachusetts Department of Education, and the District of Columbia Public Charter School Board,

oversee charter districts serving more students and schools than most California public school districts.[89] They hold schools accountable through contracts, using a fraction of the usual central-office resources, because schools themselves are taking care of management chores from hiring teachers to cleaning their buildings.

California has a "charter district" provision on the books already, through which entire school districts can convert to all-charter status. It has been tried only in a few locations—small districts overseeing a total of 16 schools—but never implemented at full scale. It is time to try.

A Wave of Promising Practice

Partnerships/Diversity

As has happened in other states, California's charter law has inspired new partnerships aimed at solving tough educational problems. When affirmative action-based admissions ended at the University of California in 1997, UC San Diego sociology professor Hugh Mehan sought a charter aimed at helping to prepare local low-income students for college. The Preuss School opened on UCSD's La Jolla campus in 1999. Its students are 100 percent low-income, 57 percent Latino, and 17 percent African-American;[90] must come from families where neither parent attended college; and must exhibit a determination to go to college themselves. Despite a demanding schedule (an extra hour each day and a calendar that runs through July), attendance is better than 98 percent.[91] Students learn to take careful notes and develop questions that become the basis for intensive tutoring by university staff.[92] Though the school's first graduation will not take place until 2004, the performance of current students seems to justify college ambitions: Its API score is in the top rank of schools with comparable students statewide.

The Los Angeles Alliance for Student Achievement is spearheading an initiative to create a network of 25 to 30 new charter schools over the next five years, both to create new opportunities for students and to catalyze improvements within LAUSD. In formulating a plan for the Alliance, the education laboratory WestEd recommended transforming the LAUSD's central office to focus on "mission (standards, interventions), money, and measurement (accountability, data systems)."[93] Such an approach would free central the office to concentrate on a few critical functions instead of trying to provide everything from curriculum design to bathroom fixtures.[94] With an impressive new crop of charter schools coming up, the district could then consider how to begin fashioning performance-based charters for its existing schools—forming by far the nation's largest charter district.

Of course, conversion of entire districts cannot be accomplished overnight, and should not become yet another exercise in half-hearted decentralization. The charter model only makes sense, for example, if individual schools have control over key personnel decisions—and that means grappling with issues of collective bargaining, from which charter schools are now broadly exempted.

But recent remarks by LAUSD Superintendent Roy Romer suggest that it is time to take the first step. Reacting to the school board's approval of independent status for two high-performing high schools (one a new charter conversion, the other, already a charter, becoming fully independent of the district), Romer called for creating a charter district within the school system, saying that he is concerned about maintaining "coherence about how you operate public schools."[95]

Charter purists may question the motivation—but should jump at the opportunity to see the charter district idea take root in the nation's second-largest school system.

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Conclusion

The nation is moving toward more performance-based public education systems. For the first time, due to the No Child Left Behind Act, traditional public schools will be subject to the same kind of make-or-break accountability that is at the heart of the charter model.

California has some golden opportunities to ride this wave. It can refine an already strong law to create a new marketplace of accountable charter authorizers. It can turn around the lives of inner-city youth by putting in place rigorous but creative processes for converting lackluster schools into high-performing charters. And it can build on the early lessons and best practices noted here, trying them out at scale in this notably scale-oriented state.

The charter wave is still going strong in California. Whether it lifts all boats in the coming years depends on what policymakers do today.

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About the Author

Nelson Smith is vice president for policy and governance at New American Schools, where he works with those who found, manage, and oversee public charter schools. He was the first executive director of the District of Columbia Public Charter School Board, and recently served as a member of the federal panel that drafted regulations for the No Child Left Behind Act.

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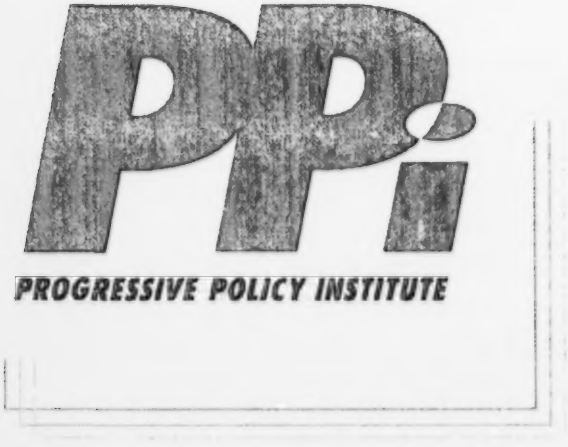

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